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INSPIRED 2024
IPOH INTERNATIONAL SUMMIT ON
PROFESSIONALISM, RESEARCH & EDUCATION

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BITCOM
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13TH INDES 2024
ENVIRONMENTAL • SOCIAL • GOVERNANCE

THE 13TH INTERNATIONAL INNOVATION, INVENTION & DESIGN COMPETITION 2024

EXTENDED ABSTRACTS

e-BOOK

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Organized by:
Office Of Research, Industry,
Community & Alumni Network
UiTM Perak Branch

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Perpustakaan Negara Malaysia

Cataloguing in Publication Data

No e- ISBN: 978-967-2776-31-4

Cover Design: Dr. Mohd Khairulnizam Ramlie
Typesetting : Zarinatun Ilyani Abdul Rahman

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CIAMIK: ACCOUNTING SYSTEM APPLICATION TO SUPPORT THE REALIZATION OF DIGITALIZATION MSMEs

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ABSTRACT

Micro, Small, and Medium Enterprises (MSMEs) are enterprises or businesses carried out by individuals, groups, small business entities, and households. Indonesia, as a developing country, makes MSMEs the main foundation of the community's economic sector. This is done to encourage the ability to develop independence in society, especially in the economic sector. There are certain criteria by which a business can be said to be an MSME. In general, the problems that occur in MSMEs, especially those included in micro and small businesses, are difficulties in preparing standard financial reports and a lack of business financial management skills. This problem occurs because MSME players still lack understanding about financial reports and consider them to be something complicated. To address these problems, we aim to design a simplified accounting system application for MSMEs and make it easy to operate the accounting system and analyze the resulting financial reports. This simple accounting system application will certainly make it easier for MSMEs to prepare financial reports, which are expected to provide enhanced accurate information in business development, financial report analysis, and financial management for MSMEs.

Keyword: MSMEs, Accounting System Application, Financial Report

1. INTRODUCTION

The role of MSMEs is very significant in the growth of the Indonesian economy, with their number reaching 99% of all business units. In 2023, the number of MSMEs business actors reached around 66 million. The contribution of MSMEs to Indonesia's Gross Domestic Product (GDP) reaches 61%, equivalent to IDR 9,580 trillion. MSMEs absorb around 117 million workers, which accounts for 97% of the total workforce (KADIN, 2023). Micro businesses are businesses that have net worth/business capital of a maximum of 1 billion or have annual sales of a maximum of 2 billion. Small businesses are businesses that have net worth/business capital of more than 1 billion and less than 5 billion or have annual sales of more than 2 billion and less than 15 billion. Meanwhile, medium businesses are businesses that have net worth/business capital of more than 5 billion and less than 10 billion or have annual sales of more than 15 billion and less than 50 billion.

The success of MSMEs in running their business cannot be separated from the ability of MSMEs to manage funds effectively. Without good financial management, various kinds of financial problems are likely to arise. Effective financial management relies on accurate financial reports, which serve as vital tools for monitoring the financial condition of the business and providing essential information for decision-making and determining appropriate business strategies. Financial management can be done through a systematic process to produce financial information used in decision making, which is called

financial management. However, MSMEs often think that managing financial reports is difficult and can only be learned by students or individuals from higher education backgrounds (Hairunisya & Subiyantoro, 2017).

CIAMIK is one of the technologies for financial recording that can help MSME players increase their operational efficiency. Micro and small businesses generally have limited funds to access paid accounting systems, so it is hoped that the CIAMIK application will be one solution to this problem. Meanwhile, the average medium-sized business already has sufficient financial resources to access a paid accounting system that is more compatible and suitable for their more complex business processes. However, medium businesses can still use this CIAMIK application.

2. METHODOLOGY

This research uses a qualitative approach. This approach can be implemented by collecting and analyzing data with the aim of solving practical problems in real life. This approach emphasizes the application of research results and further development. To develop an application, several stages are needed in the creation process, which consists of 5 stages: 1) planning and requirements analysis: determining needs and specifications in detail according to predetermined concepts; 2) system and application design: designing visual and system designs as well as making prototypes to visualize application work; 3) testing: test the functionality of each component; 4) development: application development and database management are required and 5) maintenance and update: fixing problems and bugs in the application to improve its performance.

3. FINDINGS

Digitalization has significantly impacted on the development of information technology, which requires business actors, including MSMEs, to be able to adopt technology that supports business development. Adaptation to information technology should also make it easier for MSMEs to prepare financial reports. However, limited human resources (HR) is the main reason why MSMEs are unable to prepare financial reports in accordance with applicable standards.

According (Tatik, 2018), MSME players generally do not prepare financial reports according to applicable standards and often only use a cash basis sourced from daily cash movements, which in reality is not enough to evaluate the financial condition of the business and be a source of information for decision-making. The reason MSME actors do not prepare financial reports according to applicable standards is due to a lack of understanding, difficulty, and low awareness of the importance of financial reports for the progress of a business.

To overcome the obstacles experienced by MSMEs in compiling financial reports, this research provides a solution by creating a technology-based application that can help MSMEs prepare financial reports and manage business finances through CIAMIK. This application is a new breakthrough that combines technology and accounting, which produces an easier recording system and can increase the operational efficiency of MSMEs. CIAMIK has various features such as journal entries, journal recapitulation, general ledger, income statement, and financial position reports. These features can help by making it easier for MSMEs to record sales and purchase transactions and prepare financial reports for their businesses. Using digital accounting software can also increase the transparency and accuracy of financial records. By storing data digitally, the risk of human error can be reduced, and financial information becomes more accessible and understandable (Assyalabi, 2023).

CIAMIK also provides easy access for MSME players, so this application can be used on computers or cellphones. This convenience really helps MSMEs to prepare financial reports anytime and anywhere. Moreover, CIAMIK has several advantages compared to other similar applications, such as: 1) Free application for MSMEs so that MSMEs who do not have sufficient finances can access it; 2)

The financial reports produced are in accordance with SAK EMKM; 3) Simple operation so that it is easy for MSMEs to use, even if they do not have basic accounting education; 4) Specially designed for UII partner MSMEs, thus anticipating problems with servers going down due to too many users like other free applications.



Figure 1. CIAMIK display on Desktop and Mobile

4. CONCLUSION

MSMEs contribute greatly to the Indonesian economy. However, there are still many MSMEs who have difficulty making financial reports in this digital era. From the analysis of these problems, CIAMIK is an alternative solution that can help MSMEs prepare their financial reports. CIAMIK is a technology-based accounting system application that is equipped with various features such as journal entries, journal recapitulation, general ledger, income statement, and financial position reports. These features can help make it easier for MSMEs to record sales and purchase transactions and prepare financial reports for their businesses. Apart from that, CIAMIK is easy to access. This application can be accessed using a computer or smartphone, which makes it accessible anywhere and anytime.

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Surat kami : 700-KPK (PRP.UP.1/20/1)

Tarikh : 20 Januari 2023

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